

**ERC-2131**



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ALSO PRESENT:

Mr. Ben Harwood, videographer

1 court reporter please swear in the witness, and we  
2 may proceed.

3 THE COURT REPORTER: Can I have an  
4 agreement between Counsel, please, that the court  
5 reporter can swear in the witness remotely?

6 MR. KRAMER: Agreed.

7 MR. BARBER: Agreed.

8 THE COURT REPORTER: Please raise your  
9 right hand.

10 THE WITNESS: (Comlies).

11 MR. DAVID G. OWNBY,  
12 having been first duly sworn, testified as follows:

13 EXAMINATION

14 THE COURT REPORTER: Thank you. You may  
15 put it down.

16 THE WITNESS: (Complies).

17 **Q. (BY MR. KRAMER) Okay. Mr. Ownby, good**  
18 **morning. My name is Jake Kramer. I'm counsel for**  
19 **FerrellGas and Bridger.**

20 **We've seen each other back and forth this**  
21 **morning, but it is very nice to meet you.**

22 A. Nice to meet you.

23 **Q. Any reason we can't proceed at this**  
24 **point?**

25 A. I'm ready to go.

1 intermediated by Carlyle."

2 Did I read that correctly?

3 A. Correct.

4 Q. Okay. So the deal contemplated here  
5 involves Carlyle intermediating only 40,000 of the  
6 65,000 barrels per day purchased by JAMEX, right?

7 A. That's what it says.

8 Q. Okay. And then two bullets down it says,  
9 "JAMEX also receives open credit on 60 percent of the  
10 crude supply. They are currently only considering  
11 intermediating the barrels that are priced in a  
12 separate month to delivery causing a mismatch in  
13 payment terms."

14 So we talked about open credit  
15 previously, right?

16 A. We have, yes.

17 Q. And you described open credit as an  
18 arrangement where a producer provides barrels on  
19 credit and then it pays in arrears on the 20th day of  
20 the following month, right?

21 A. That's correct.

22 Q. Okay.

23 A. Typically that's -- that's correct.

24 Q. All right.

25 A. There's some differences in different

1 parts of the country, but that's typical.

2 Q. All right. But if we distill it down,  
3 that means that JAMEX does not have to pay up front  
4 for the barrels, right, it can pay later?

5 A. Yeah, it says that they have a credit  
6 facility in place.

7 Q. Okay. All right. So to the extent JAMEX  
8 is buying barrels on open credit, Carlyle doesn't  
9 have any exposure, does it?

10 A. You're going to have to -- you're going  
11 to have to say that a different way.

12 Q. Sure.

13 A. What do you mean by "exposure"?

14 Q. Sure. The proposed deal --

15 A. Exposure on what?

16 Q. Okay. The deal proposed here is for  
17 Carlyle to intermediate only 40,000 of 65,000 barrels  
18 per day, correct?

19 A. That's correct.

20 Q. All right. And the remaining barrels  
21 would be purchased on open credit, correct?

22 A. That would be 25 a day -- or 25 a day,  
23 yeah.

24 Q. Okay. You didn't factor that open credit  
25 into your opinion, did you?